DECLASSIFIED EXCISE (E) Pub 78-3 Libya

Department of State

TELEGRAM

357

CONFIDENTIAL 925

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ACTION AF-18

INFO OCT-01 CIAE-00 DODE-00 PM-05 H-02 INR-08 L-04 NSAE-00

NSC-10 P-03 RSC-01 PRS-01 SS-20 USIA-12 E-15 COM-08

TRSY-11 INT-06 RSR-01 /126 W

116771

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY CJ DATE 8/7/81
PORTIONS DENIED AS INDICATED

R 151501Z SEP 70
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 6888

C O N F I D E N T I A L TRIPOLI 2222

SUBJ: GULF OIL TERMINATION.

REF: TRIPOLI 2028

1. [redacted] HAS INFORMED EMBASSY OF DETERIORATION IN GULF-LARG RELATIONS. MINISTRY PETROLEUM AND MINISTRY TREASURY NOW CLAIM GULF OWES ONE YEAR'S CONCESSIONAL RENTAL FOR CONCESSION 66 AT COMMERCIAL PRODUCTION RENTAL RATE. LIBYA'S JULY 1969 UNILATERAL DECLARATION OF CONCESSION 66 FIELD AS COMMERCIAL, CONTESTED BY GULF FOR PAST YEAR, ULTIMATELY FORCED GULF TO RELINQUISH CONCESSIONS, AS DESCRIBED REFTEL AND PREVIOUS. LARG NOW TAKING SERIES OF MEASURES INTENDED TO SECURE ITS $1.2 MILLION CLAIM. THESE INCLUDE: BLOCKING OF GULF'S BANK ACCOUNT, PROHIBITION [redacted] DEPARTURE FROM LIBYA WITHOUT MINISTRY OF PETROLEUM AUTHORIZATION, AND BLOCKING SALE OF OFFICE EQUIPMENT AND DRILLING SUPPLIES VALUED AT ABOUT $350,000. B4 B4

2. [redacted] GULF IS SATISFIED IT WOULD WIN IF LARG'S CLAIM REFERRED TO ARBITRATION, AS PROVIDED IN PETROLEUM LAW, BUT THAT MINISTRY OF PETROLEUM RECOGNIZES GULF IS UNLIKELY TO ARBITRATE TO SAVE RELATIVELY MINOR ASSETS. HENCE, MINISTRY AND LNOC, WHICH ALREADY HAS DISCLOSED TO SERVICE CONTRACTORS INTENTION TO DEVELOP FIELD RELINQUISHED BY GULF, ARE CALCULATING [redacted] THAT GULF WOULD EXCHANGE ASS[redacted] QUITTANCE. B4

3. [redacted] HAS NOT REQUESTED ASSIS- B4

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